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## **H.R. 2055, *The Military Construction, Veterans Affairs and Related Agencies Appropriations Act*, LEGISLATIVE BULLETIN**

### **CENTRAL POINTS:**

- The Fiscal Year (FY) 2012 Military Construction-Veterans Affairs (MilCon-VA) Appropriations Act would provide \$142 billion in total funding; including \$72 billion in discretionary funding. The \$142 billion is \$618 million below the FY 11 enacted level, excluding Overseas Contingency Operations (OCO) accounts, and is \$1.25 billion below the President's budget request.
- There is \$13.7 billion for Military Construction in the bill, \$1 billion below the President's request. There is \$58.6 billion in discretionary funding for the Department of Veterans Affairs (VA), which is \$2.3 billion over current funding.
- The bill also includes \$52.5 billion in FY 2013 advance appropriations for veterans' medical care, which will provide a stable and uninterrupted source of funding for veterans' medical care in FY 2013, protecting critical veterans programs from the uncertainties of the annual budget process.
- The bill also would provide \$4.9 billion for health care and support services for homeless veterans, including \$939 million in direct programs to assist and place veterans in housing, as opposed to medical and health care treatment costs for homeless veterans. The \$939 figure includes \$202 million for the VA's contribution to the Housing and Urban Development – Veterans Affairs Supportive Housing (HUD-VASH) program and \$224 for the Homeless Grant Per Diem Program. Additionally, the VA estimates it will spend \$3.961 billion in FY 12 on providing health care to homeless veterans.
- MilCon-VA also includes \$2.99 billion as requested to meet the health care needs of veterans who served in Iraq and Afghanistan, a \$594 million increase over last year.

### **LEGISLATIVE BACKGROUND**

On May 31, 2011, H.R. 2055 was reported out of the House Appropriations Committee by voice vote. The House passed the bill on June 14, 2011, by a vote of 411–5. On June 30, the Senate Appropriations Committee Military Constructions and Veterans Affairs Subcommittee approved the bill with unanimous bipartisan support. On June 30, 2011, the full Senate Appropriations Committee inserted three amendments into a managers package and passed the bill by a vote of 30-0. The Administration issued a Statement of Administration Position (SAP) on July 13, 2011 supporting Senate passage of the bill.

## **SUMMARY OF MAJOR PROVISIONS**

### **Title I- Military Construction and Family Housing**

The bill would provide \$13.7 billion for military construction and family housing, \$1.049 billion below the budget request and \$2.87 billion below the FY2011 enacted level, due primarily to the completion of the BRAC 2005 construction phase in Fiscal Year 2011.

**Active and reserve component military construction:** \$11.1 billion to fund military construction projects worldwide, including operational, training, and research facilities, readiness centers, barracks, schools, hospitals, and clinics. The recommendation is \$1.049 billion below the President's request for active components and equal to the request of \$1.2 billion for reserve components.

**Family Housing:** \$1.69 billion as requested for family housing construction and privatization projects. The 2012 budget request for family housing is \$125.2 million below the fiscal year 2011 enacted level, reflecting the progress toward completion of the privatization effort and subsequent reductions in operating expenses.

**Base Realignment and Closure (BRAC):** \$258.8 million for BRAC 2005 and \$323.5 million for BRAC 1990, as requested. The BRAC 2005 request is \$1.9 billion below the fiscal year 2011 enacted level, reflecting the scheduled completion of the BRAC 2005 construction program in 2011.

**NATO Security Investment Program ( SIP):** \$272.6 million as requested to fund the U.S. share of joint U.S.-NATO military facilities.

**Energy Conservation Investment Program (ECIP):** \$135 million as requested, plus \$10 million for planning and design to accelerate the Defense Department's efforts to improve energy efficiency and reduce greenhouse gas production on military installations.

### **Title II - Department of Veterans Affairs**

The bill would provide \$58.6 billion in discretionary funding for fiscal year 2012, \$181.7 million under the President's request, and \$69.5 billion in mandatory funding, equal to the request. Total funding for the Medical Care accounts for FY 2012 equals \$50.611 billion, including a \$2.588 billion increase over the FY 2011 enacted level for the Medical Services account.

The budget submission included a request for an additional \$240 million in FY12 for the establishment of a contingency fund in the event the current economic climate results in a spike in demand for veterans healthcare. While the recommendation does not fund the contingency fund, the Department has \$664 million associated with pay raises from FY 11 and 12 which should be used for increased demand. Additionally, the VA's budget submission for the FY 13 advance appropriation estimated a \$500 million carryover from FY 12 to FY 13. The Appropriations Committee determined that the VA should utilize the resources it has rather than create a contingency fund.

**Rural Health:** Building on the Rural Health Initiative launched in Fiscal Year 2009 to close gaps in VA service in rural and remote areas, the bill would provide \$250 million as requested for medical care, including telehealth and mobile clinics, for veterans in rural and highly rural areas, including Native American populations.

**Homeless Veterans Programs:** \$4.9 billion for health care and support services for homeless veterans. This amount includes \$939 million in direct programs to assist homeless veterans, including \$202 million for the HUD-VASH program and \$224 for the Homeless Grant Per Diem Program.

**Iraq and Afghanistan Veterans:** \$2.99 billion as requested to meet the health care needs of veterans who have served in Iraq and Afghanistan, a \$594 million increase over last year. The VA estimates that the number of veterans of Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF) in its health care system will reach 536,451 in 2012, a 105.5% increase since 2008. This funding includes research and treatment programs for mental health issues, including Traumatic Brain Injury (TBI) and Post-Traumatic Stress Disorder (PTSD).

**Caregivers:** The bill would include a total of \$208 million for implementation of the Caregivers and Veterans Omnibus Health Services Act of 2010.

**Women Veterans Programs:** \$270 million as requested to meet the unique needs of women veterans.

**Medical and Prosthetic Research:** \$581 million, an increase of \$72 million over the budget request, for research into a number of pressing veterans' medical issues, including mental health, TBI, spinal cord injury, burn injury, polytrauma injuries, and sensory loss.

**Long Term Care:** \$6.9 billion for long term care for the nation's aging veterans as well as severely wounded combat veterans from the wars in Iraq and Afghanistan. The funding includes both institutional and home based care programs. The bill would provide \$85 million for grants for the construction of state extended care facilities.

**Native American Veterans:** \$52 million for collaborative efforts and sharing arrangements with the Indian Health Service to ensure that Native American veterans receive the care which they have earned.

**Information Technology (IT):** \$3.16 billion for IT projects, equal to the request, to develop electronic health care records, paperless claims systems, and seamless integration of medical and service records with the Department of Defense.

**Office of Inspector General (IG):** The bill would include \$112.3 million for the IG's office. This amount is \$3.0 million over the President's request and \$3.6 million over the fiscal year 2011 enacted level. The funding increase would ensure robust IG oversight of significant funding increases the VA has received over the past six years.

### **Title III – Related Agencies**

The bill provides a total of \$221.4 million for related agencies.

**American Battle Monuments Commission (ABMC):** \$77.1 million, equal to the request, to support the operations and activities of the ABMC.

**U.S. Court of Appeals for Veterans Claims:** \$30.8 million, \$25 million below the request. The funding does not support a request for a new courthouse for the Court due to uncertainties surrounding the total cost of the project and the availability of the preferred site for the project.

**Arlington National Cemetery:** \$45.8 million, equal to the request.

**Armed Forces Retirement Home:** \$67.7 million as requested for operations and maintenance.

Note: The FY 2012 budget submission did not request any military construction funding for Overseas Contingency Operations.